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HIGH-LEVEL MEETING

Policy issues that may be addressed at the high-level meeting of the Commission on Sustainable Development

Report of the Secretary-General

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INTRODUCTION

1. The second session of the Commission on Sustainable Development is being held almost two years after the conclusion of the United Nations Conference on Environment and Development (UNCED). Agenda 21 1/ and the decisions and recommendations of the Commission at its first session (E/1993/25/Add.1, chap. I) have provided the major pivots and guidance to inter-sessional activity.

2. The Commission has before it detailed information in the report of the Secretary-General containing an overview of cross-sectoral issues (E/CN.17/1994/2 and Add.1); the reports of the Inter-sessional Ad Hoc Open-ended Working Groups on Finance (E/CN.17/1994/10) and Technology Transfer and Cooperation (E/CN.17/1994/11); the six reports of the Secretary-General, on health (E/CN.17/1994/3), freshwater resources (E/CN.17/1994/4), human settlements (E/CN.17/1994/5), toxic chemicals (E/CN.17/1994/6), hazardous wastes (E/CN.17/1994/7) and radioactive wastes (E/CN.17/1994/15); and the background papers which provide information on activities of the United Nations system, prepared by the various task managers. In addition, the papers which contained the background material for the two Working Groups and other governmental and non-governmental initiatives, are being made available to the Commission. The report of the High-level Advisory Board on Sustainable Development (E/CN.17/1994/13) is also before the Commission.

3. Taking into account the agenda and discussions during the second session, the open-ended, high-level meeting could focus, inter alia, on the following themes:

(a) Critical dimensions of sustainability:

(i) Changing consumption patterns;

(ii) Trade and sustainable development;

(b) Sustainable development indicators;

(c) Finance and technology:

(i) Flow of financial resources;

(ii) Technology transfer;

(d) Role of major groups;

(e) The Commission's work processes;

(f) Preparations for the third session of the Commission.

I. CRITICAL DIMENSIONS OF SUSTAINABILITY

4. Chapters 2 to 5 of Agenda 21 contain the building blocks of sustainable development. Many of the activities recommended in these chapters are subject to detailed discussion in specialized forums. The high-level meeting may wish to give detailed attention to two issues: changing consumption patterns and trade and sustainable development.

Changing consumption patterns

5. Chapter 4 of Agenda 21 is unique in so far as the issues raised in it are discussed at the intergovernmental level primarily in the Commission on Sustainable Development. The Commission has therefore the special responsibility for reviewing the role and impact of unsustainable patterns of production and consumption in the efforts to achieve sustainable development. The issues, as highlighted in the overview report (E/CN.17/1994/2), are complex. The short-term and the longer-term impacts are often disparate. Moreover, the main instruments of economic policy in most countries are directed towards objectives other than sustainability. The use of economic instruments or regulatory measures like labelling standards for promoting resource efficiency in consumption, waste minimization and shifts in consumption patterns may be held back by a perceived impact on competitiveness. There is considerable scope for the Commission to be catalytic, innovative and in a position to promote coordinated national action and energize State and non-State actors in addressing this major source of environmental stress. More specifically, the high-level meeting may wish to consider the following:

A coordinated programme of national and regional studies of trends and damage from patterns of consumption and production, notably of energy use, transport and waste production, and of the use of renewable and non-renewable natural resources, to assess their sustainability and their repercussions on other countries;

Based on these studies, the setting of priorities to address the most damaging effects of unsustainable consumption patterns;

Workshops and other forms of information-exchange on the relative effectiveness of a spectrum of instruments for changing unsustainable consumption patterns;

The promotion of the voluntary use of International Organization for Standardization (ISO) quality control and production standards, the use of green auditing and transparent and differentiated green labelling;

A commitment to using pricing policy and liability rules to internalize the costs of risk and damage to the environment, and reporting on action taken to the Commission on Sustainable Development.

Trade and sustainable development

6. On the issue and sustainable development, Agenda 21, the Uruguay Round of multilateral trade negotiations, the Group on Environmental Measures and International Trade of the General Agreement on Tariffs and Trade (GATT), as well as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environment Programme (UNEP), have looked closely at the various dimensions. Agenda 21 has outlined clear principles. GATT has looked at the subject from the point of GATT principles and provisions. The critical dimension, however, relates to the question of a developmental rather than a regulatory agenda. The high-level meeting may wish to:

> Focus on the processes required for promoting sustainability through trade, rather than the more limited focus on the compatibility of national environmental and trade legislation with the principles and provisions of GATT;
>
> Agree to review annually developments in the area of trade and sustainable development, with special reference to the work programmes of GATT, UNCTAD and UNEP;
>
> Recommend greater assistance for diversifying the economies of primary commodity exporters, especially for those adversely affected by GATT.

7. The countries of Africa have been particularly hard-hit because of their dependence on the export of a few commodities. Discussions are ongoing, in the context of the United Nations New Agenda for the Development of Africa in the 1990s (General Assembly resolution 46/151, annex, sect. II), for the establishment of a diversification facility for African commodities. When established, the facility is expected to finance the preparatory plans of diversification projects/programmes to be funded by international financial institutions and bilateral donors. It is proposed that the facility be established in the African Development Bank with seed resources, at the initial stage, amounting to US$ 50-70 million for three to four years.

> The high-level meeting may wish to provide the political support for the establishment of the facility.

II. SUSTAINABLE DEVELOPMENT INDICATORS

8. While there has been a flurry of intergovernmental and non-governmental activity, it is difficult to pass definitive judgement on whether the world is truly moving towards an era of sustainable development, ushered in by the implementation of the commitments made at UNCED. Scientific uncertainties, a lack of statistical information, other gaps in data and several methodological problems have militated against inter-temporal comparisons. As the Commission

moves through its multi-year programme of work towards a comprehensive review of all the chapters of Agenda 21, such data will be indispensable for the Commission's monitoring and review function. The issue of sustainable development indicators for inter-temporal comparisons will continue to recur. It is important for the Commission, which is charged with the task of ensuring the effective follow-up of UNCED, to provide impetus to the process of establishing reliable indicators of sustainability. Moreover, the concept of sustainable consumption itself needs to be given greater precision. More specifically, the high-level meeting could recommend that action proceed along three lines:

Methodological studies aimed at further refining the concept of sustainable development and giving it some quantitative precision to be carried out by the secretariat of the Commission in cooperation with other parts of the United Nations system, and the secretariats of the conventions where similar work is in progress;

Securing an agreement at the third session of the Commission, in 1995, on a set of indicators to be used for national reporting;

Requesting the United Nations Statistical Commission at its twenty-eighth session, in 1995, to take a decision on the establishment of sustainable development indicators compatible with the System of National Accounts satellite system for integrated environmental and economic accounting.

III. FINANCE AND TECHNOLOGY

Financial resources

9. The recent finalization of the restructuring and replenishment of the Global Environment Facility (GEF) in general, as well as the promise of an overall increase in trade as a result of the conclusion of the Uruguay Round, offers positive signals for the generalized objective of achieving sustainable development. However, these developments will have a somewhat limited direct impact on the funding of the range of programme areas and activities enshrined in Agenda 21. The inadequacy of present levels of funding for Agenda 21 activities is all too evident. The high-level meeting may wish to continue the discussions on how resources are to be best mobilized for the implementation of Agenda 21. More specifically, the high-level meeting may wish to consider the following:

Recommendations for debt-reduction as an important element for the financing of national plans and programmes for the implementation of Agenda 21;

A better mix of regulatory and economic instruments, with more emphasis on the latter, as an indirect complementary mechanism for financing Agenda 21;

Extensive use of eco-taxes and user fees, with adequate safeguards to protect the poor and disadvantaged;

Specific studies to examine the feasibility, legal modalities and administrative arrangements of international mechanisms for financing sustainable development (international emission charges, tradeable permits on greenhouse gases, air travel taxes, fees on international travel).

10. The instrument for the establishment of the restructured GEF refers to the reporting responsibilities and the information linkage between the Commission and GEF.

The high-level meeting may wish to consider how the information provided by the GEF Council and its consideration by the Commission can best further the relationship between the Commission and GEF.

11. While attention has been focused on the international funding of programmes and activities, as well as the discussions on GEF, one possibility to be considered is the establishment of national sustainable development funds. In a sense, such funds would be national counterparts to GEF. The local mobilization of resources for these funds, as well as the possibility of matching international contributions in the pursuit of activities mandated under Agenda 21, could provide a strong impetus to the fulfilment of objectives outlined in its various chapters. The allocations in the national funds would reflect national plans, priorities and objectives.

The high-level meeting may wish to consider the need for national sustainable development funds and the support that can be provided for this purpose by the international community.

12. The Inter-Agency Committee on Sustainable Development and the Administrative Committee on Coordination have given consideration to enhancing the collaborative efforts of the United Nations system, in particular by giving concrete shape to collaborative programming of United Nations activities. Under the present arrangements, given the independent resource mobilization and accountability of the respective governing bodies, it is difficult to organize

an effective coalition of resources for joint activities. Modalities for resource mobilization to finance joint activities need to be given systematic consideration.

> The possibility of a specific pledging process for the financing of joint activities by United Nations and other organizations needs to be considered by the high-level meeting.

Technology transfer

13. At the heart of chapter 34 of Agenda 21 is the agreement to promote, facilitate and finance, the access to and the transfer of environmentally sound technologies and corresponding know-how on mutually agreed favourable terms, where a balance is drawn between the need for concessional and preferential terms and the need to ensure sufficient incentives for the development and dissemination of these technologies.

14. Commitments regarding the transfer of environmentally sound technology, technology cooperation and capacity-building are contained not only in chapter 34 of Agenda 21, but also in other chapters and in the international agreements and conventions on the environment and sustainable development. A complete view of technology transfer and cooperation must therefore take these various commitments into account, and this would be clearly linked to the general question of financing the various commitments. In a sense, therefore, technology cooperation and financing issues are closely entwined.

15. The Inter-sessional Ad Hoc Open-ended Working Group on Technology Transfer and Cooperation, which based its work on the results of the Preparatory Meeting on Technology Transfer, Cooperation and Local Capacities, held at Cartagena, Colombia, in November 1993, sponsored by the Governments of Colombia and the United States of America, the High-level Advisory Board and the Workshop on the Transfer and Development of Environmentally Sound Technologies, held at Oslo in October 1993, sponsored by UNCTAD and the Government of Norway, have made significant and important recommendations on a range of complex issues.

16. The inter-sessional initiatives highlighted the complex, definitional and conceptual problems in the concept of environmentally sound technology cooperation and transfer. The results of these meetings strongly suggest the need for greater involvement of the business community, particularly transnational corporations and other non-governmental entities. The High-level Advisory Board has indicated the need for an enabling environment that facilitates the transfer and development of environmentally sound technology. In essence, it recommends the creation of conditions in which business can flourish, with the right mix of regulatory and economic instruments to encourage safer, less polluting and more efficient production processes (see E/CN.17/1994/13, chap. III).

17. Specifically the high-level meeting may wish to consider the need for:

Promoting actions and programmes that support the efforts of developing countries that face serious constraints in their efforts to promote or engage in technology transfer and cooperation due to lack of adequate financial resources and limited human and institutional capacities;

Strengthening the capacities of developing countries to assess, develop, apply and manage environmentally sound technologies tailored to the countries' own needs and priorities and to focus efforts on capacity-building and institutional development;

Encouraging mobilization of private sector investment in technology cooperation, transfer and capacity-building, including through various forms of technology partnerships;

Urging private companies to report through their respective industry associations on efforts being made and results achieved in the transfer of environmentally sound technology through foreign direct investment;

Encouraging Governments and international organizations to fully examine the appropriate mechanisms and concrete operational modalities needed to promote and facilitate access to information on environmentally sound technologies, both privately and publicly owned and in the public domain.

IV. ROLE OF MAJOR GROUPS

18. Agenda 21 makes it clear that one of the fundamental prerequisites for the achievement of sustainable development is through broad public participation in decision-making and through new forms of participation. Major groups, such as women, the private sector, indigenous peoples, and others represented through a wide array of non-governmental organizations, are critical to ensuring broad public participation in sustainable development.

19. There are two main problems in meeting these prerequisites: first, a lack of clear participation criteria given the highly heterogeneous and changing character of the major group community; and second, institutional limitations, primarily on the part of intergovernmental organizations, on the ability to accommodate more active major group participation.

20. There is a clear need to improve the quantity and quality of information relevant to the role and contribution of major groups. The high-level meeting may wish to request that major groups, non-governmental organizations, Governments and international organizations provide information on the extent of major group involvement, including such information as:

Involvement of major group organizations in sustainable development activities at the national, regional and international levels, including participation in project design, implementation and evaluation;

New and innovative ways of increasing and enhancing the quality and quantity of consultations with major group organizations;

Relevant indicators of major group participation, such as financial and other resource allocations, and the measure of their success in terms of institutional and/or technical assistance provided;

Identification of obstacles to major group participation and suggestions for ways of overcoming them in the future.

V. THE COMMISSION'S WORK PROCESSES

21. The breadth of issues, sectoral and cross-sectoral, covered in the sessions of the Commission, the detailed information made available by Governments, non-governmental organizations and the Secretariat have brought to the forefront three important issues requiring high-level attention:

The need to consider a system of follow-up and review of the decisions taken by the Commission, particularly for sectoral issues. Without a follow-up mechanism, and with the multi-year thematic programme of work, it would become difficult to substantively return to many of the issues covered in an early part of the cycle of review. The Commission could also recommend the follow-up in other appropriate intergovernmental forums;

Present relations with the major groups need to be strengthened and made more functional by strengthening the interface with intergovernmental decision-making;

The overall demands being made on Member States for the provision of national information and national reports are great. These numerous reporting responsibilities have led to a situation in which Member States are finding it difficult to provide the information requested in a simplified format and in a timely fashion. The high-level meeting may wish to make recommendations to the Economic and Social Council for simplifying or streamlining requests for national information.

VI. PREPARATIONS FOR THE THIRD SESSION OF THE COMMISSION

22. A variety of formal and informal intergovernmental processes are already under way with regard to the issues to be considered by the Commission at its third session, in 1995.

23. Of the sectoral issues to be considered, the review of chapter 11 of Agenda 21 (Combating deforestation) is eliciting great interest. The objectives for the protection, sustainable management and conservation of forests, inter alia, include the need to facilitate and support the effective implementation of the Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests. 2/ Several governmental and non-governmental initiatives are under way to encourage well thought out preparations for the review of sectoral clusters in 1995. The high-level meeting may wish to consider how the various initiatives could be utilized to facilitate the Commission's work.

24. In June 1994, the finalization of the international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, will be a landmark achievement in the progress of Agenda 21 commitments. The high-level meeting needs to consider the institutional modalities and the linkages of the convention with the further review of Agenda 21. In particular, chapter 12 of Agenda 21 (Managing fragile ecosystems: combating desertification and drought), will be reviewed in 1995 and the preparatory process for the review should have strong linkages with the institutional recommendations of the Intergovernmental Negotiating Committee for the elaboration of the convention.

25. Under the critical dimensions of sustainable development, a special focus will be given in 1995 to chapter 5 of Agenda 21 (Demographic dynamics and sustainability). The review will be conducted in the wake of the International Conference on Population and Development, to be held in September 1994. Chapter 5 recognizes that the Conference will be the appropriate forum for dealing with population and development issues. It is therefore important that the plan of action to be adopted by the Conference and the review of chapter 5 be harmonized to prevent an unnecessary duplicative process in the review of commitments in the area of demographic dynamics and sustainability. The high-level meeting may consider making recommendations in this regard.

26. Similarly, the elimination of poverty is one of the core issues to be discussed at the World Summit for Social Development. Chapter 3 of Agenda 21 (Combating poverty) has highlighted bold objectives and activities on combating poverty. It is anticipated that the plan of action emanating from the Summit will also contain action-oriented recommendations on the core issue of poverty eradication. The high-level meeting may wish to provide direction to the process of harmonizing the goals, objectives and activities of the preparatory process for the Summit and chapter 3 of Agenda 21.

27. The Commission's experience during the year in review has been that the two inter-sessional ad hoc open-ended working groups have facilitated its work. In making recommendations on the future work of the Commission, the high-level meeting may wish to take stock of the progress made on the issues covered by working groups, the needs with regard to emerging policy issues and other relevant considerations before deciding on the inter-sessional working arrangements.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

2/ Ibid., annex III.